KEY INDICATOR REPORT

February 1986

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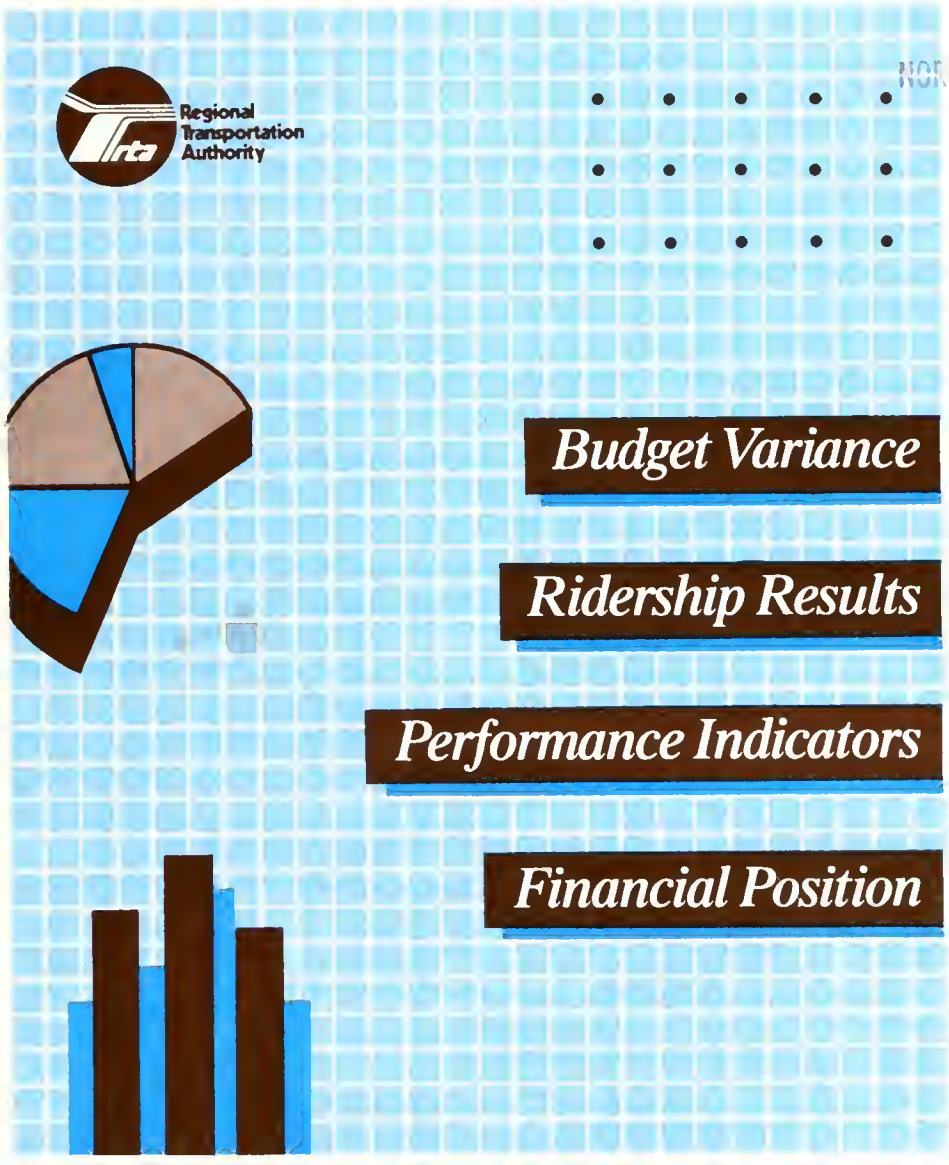

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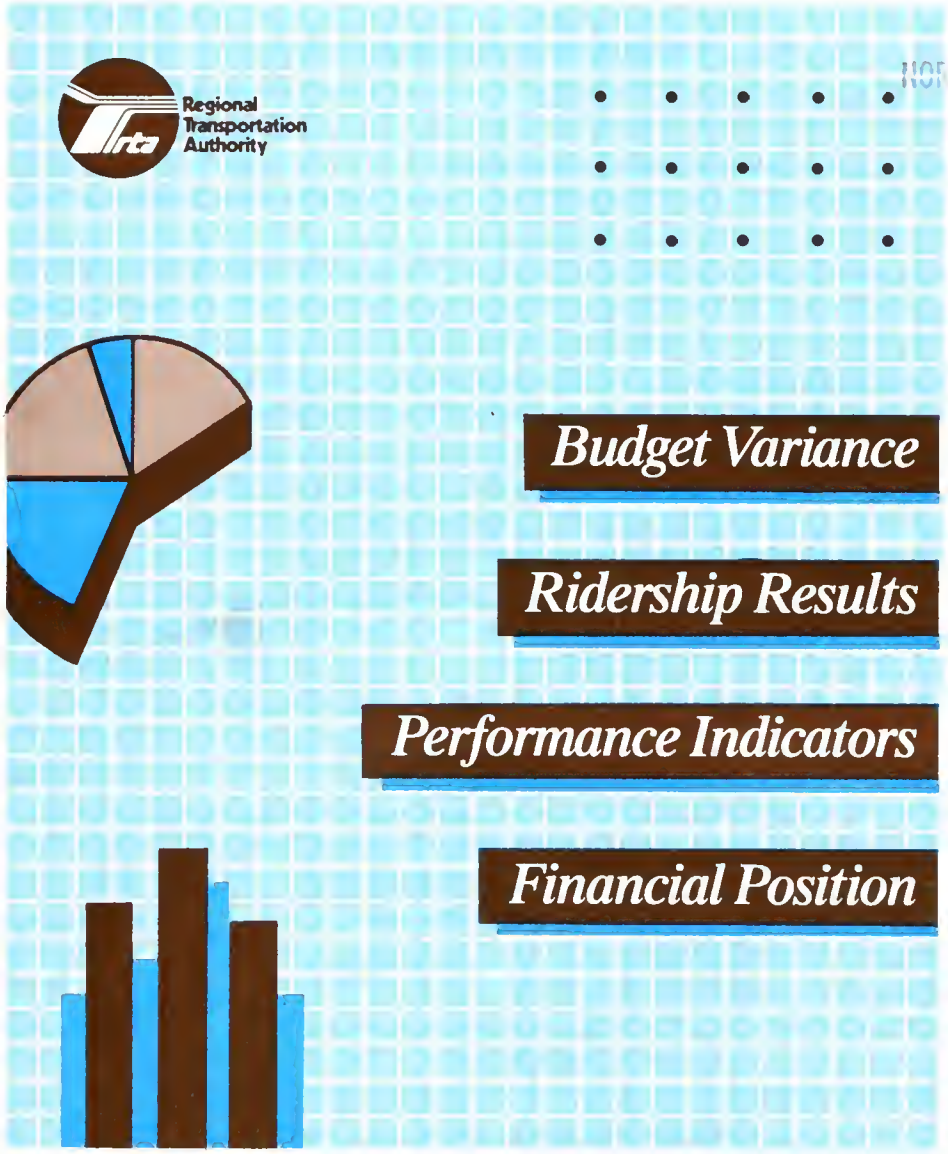

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Budget Variance

All three service boards were again favorable to budget in February, adding to January's positive results. However, for both CTA and Pace, fare revenue was less than budget as the fare increase failed to meet expectations. Nevertheless, positive expense results were more than sufficient to offset the revenue shortfall.

Ridership Results

Ridership declined for all service boards in February, as the RTA systemwide lost almost 5% from 1985. For the year-to-date both Metra and Pace remain ahead of last year but the RTA system total declined 1% compared to 1985.

Performance Indicators

CTA continued to post favorable financial ratios this month as the fare increase boosted the system recovery ratio despite less riders. Metra and Pace also improved ratios and were generally stable in other areas. For Metra, the improved recovery ratio in February reversed a slight drop in January.

Financial Position

The RTA financial position remains sound. The 1986 Federal Operating Grant has been approved, though for less than originally projected due to negotiations with Northwest Indiana that resulted in a favorable trade of operating funds for capital funds (RTA received $3 million in exchange for $1.5 million). January actual Sales Tax receipts were more than 5% favorable to budget.

SECTION I

BUDGET VARIANCE

CHICAGO TRANSIT AUTHORITY

Comments

Current Month

CTA's revenue was $321,000 or 1.3% under budget and operating expenses were $1.1 million or 2.5% under budget in February. Their funding requirement was $953,000 or 3.9% less than budget. CTA's actual recovery ratio of 50.01% exceeded the budgeted ratio of 49.53%.

Passenger revenues were unfavorable by 1.3% due primarily to the later than projected implementation of the fare increase. Whereas the budget had incorporated the fare increase for the entire month, the increase was not actually implemented until February 9th. Other revenues were unfavorable by 4.7% due to less than budgeted investment income.

Operating expenses were favorable by 2.3% in February. Labor, Fuel, and All Other Expenses had favorable variances of 3.0%, 18.4%, and 7.3% respectively. The average loaded wage rate, which includes fringe benefits, was $19.41/hour or 57¢/hour favorable. The average fuel price was favorable by 14.2¢ per gallon. Electric Power was unfavorable by 6.6% due to a higher than budgeted cost of fuel adjustment factor.

Year-To-Date

Total Revenue was slightly unfavorable by 0.1% due primarily to less than budgeted investment income. Operating expenses were favorable by 3.6%. Labor, Fuel, Materials, and All Other Expenses had favorable variances of 3.2%, 17.5%, 8.3% and 2.8% respectively.

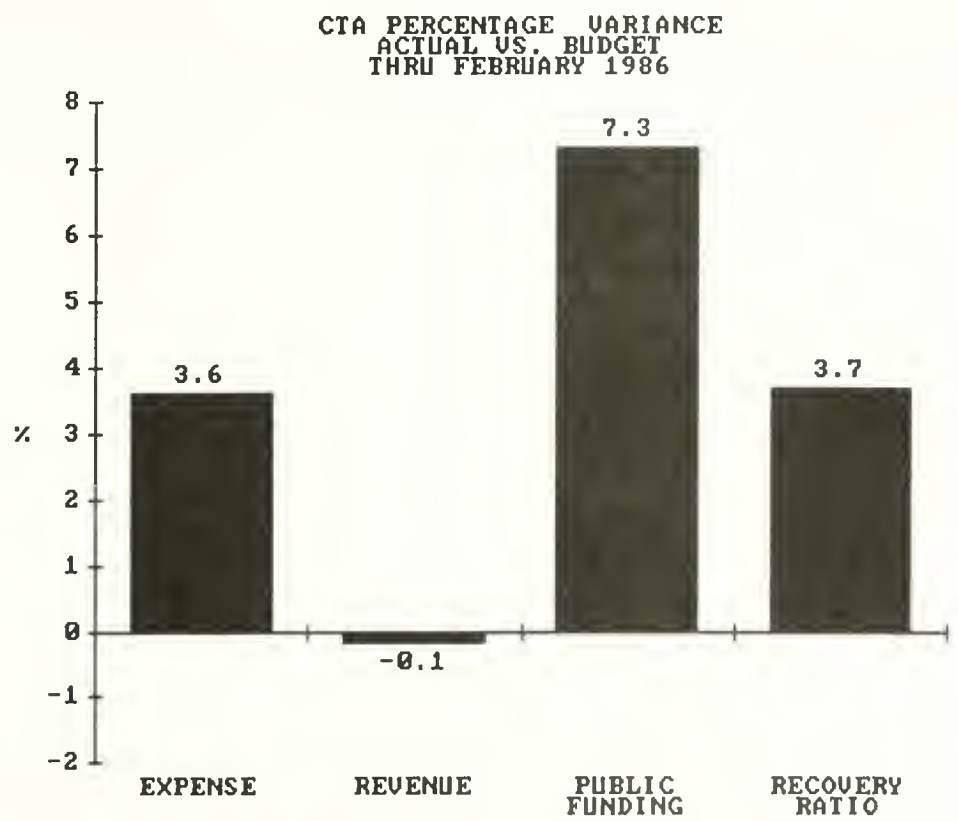
The favorable operating expenses has resulted in a favorable variance in CTA's deficit of $3.9 million or 7.3% through February. The actual recovery ratio was 48.54% compared to the budgeted ratio of 46.81%.

TABLE I-A

FY86 CHICAGO TRANSIT AUTHORITY BUDGET VARIANCE
($000 OMITTED)

	FEBRUARY 1986			TWO MONTHS YTD		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
REVENUE						
Passenger	$22,799	$23,080	$ <281>	$45,289	$ 45,257	$ 32
Other	814	854	<40>	1,752	1,819	<67>
Total Revenue	$23,613	$23,934	$ <321>	$47,041	$ 47,076	$ <35>
EXPENSES						
Operating Expenses	$47,218	$48,327	$1,109	$96,907	$100,561	$3,654
PUBLIC FUNDING REQUIRED						
Operations	$23,605	$24,393	$ 788	$49,866	$ 53,485	$3,619
Special Service	-	165	165	-	330	330
Total Funding	$23,605	$24,558	$ 953	$49,866	$ 53,815	$3,949
Recovery Ratio	50.01%	49.53%		48.54%	46.81%	

FIGURE I-A



Commuter Rail Division

Comments

Current Month

February revenue was $435,000 or 4.1% over budget and expenses were $1.9 million or 9.5% below budget. Funding requirement was $2.4 million or 24% lower than budget. The actual recovery ratio of 59.67% exceeded the budgeted ratio of 51.88%.

Passenger revenue favorable variance of $320,000 is attributable to NIRC ($233,000), ICG ($112,000), CSS ($33,000) and NS ($12,000). These favorable variances are partially offset by the unfavorable variance reported by BN ($57,000) and CNW ($13,000). The favorable other revenue variance is due primarily to NIRC's favorable variance of $93,000 which reflects higher overhead absorption of the capital projects.

All carriers reported favorable operating expense variances. The favorable variances are attributable to BN, $615,000; CNW, $445,000; CSS, $3,000; ICG, $218,000; NS, $32,000 and NIRC, $640,000. The above variances included fuel favorable variance of $241,000 of which, $230,000 resulted from lower price (15¢ lower than budget) and $11,000 resulted from lower fuel usage. Timing change for Marketing program, training and new service are the major contributing factors of the other favorable variances.

Year-To-Date

Passenger revenues were 1.1% favorable to the budget. The favorable other revenue variance was primarily influenced by NIRC's favorable variance of $207,000.

Operating expenses were 5.2% under budget. Lower than budgeted fuel costs and programs delay were the major factors to the favorable expense variance. Recovery ratio of 55.57% is favorable to the budgeted ratio of 51.65%. Funding requirement is $2.7 million or 12.9% lower than the budget.

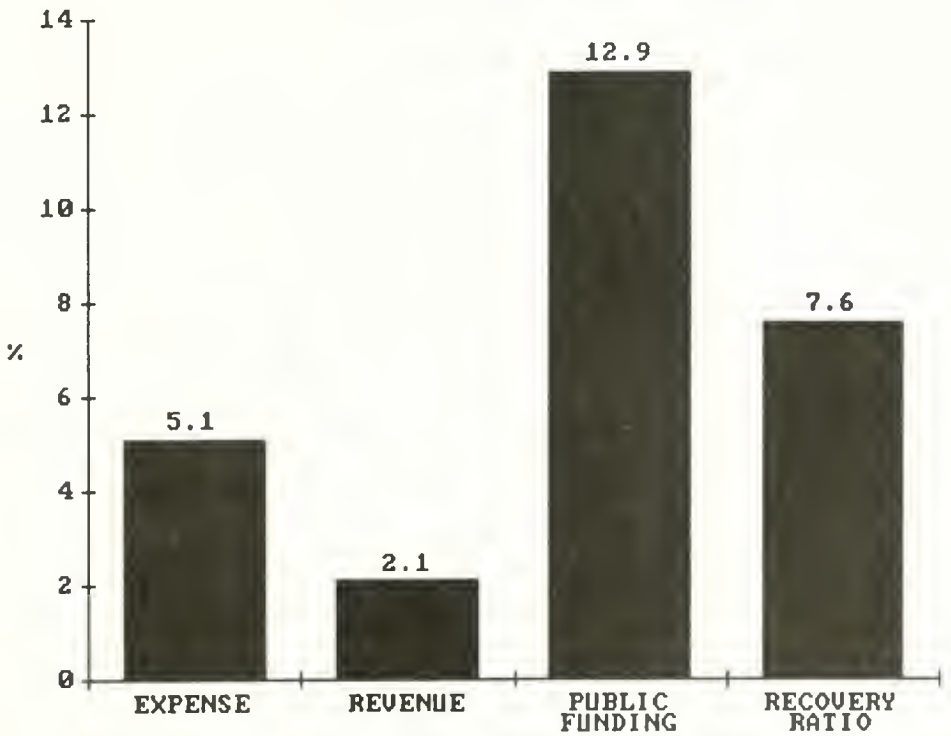
FY86 COMMUTER RAIL DIVISION BUDGET VARIANCE
($000'S OMITTED)

	FEBRUARY 1986			TWO MONTHS YTD		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
REVENUE						
Passenger	$10,458	$10,138	$ 320	$21,126	$20,892	$ 234
Other	552	437	115	1,106	877	229
Total Revenue	$11,010	$10,575	$ 435	$22,232	$21,769	$ 463
EXPENSES						
Operating Expenses	$18,459	$20,412	$1,953	$40,018	$42,195	$2,177
Additional Compensation	218	216	<2>	441	442	1
Total Expenses	$18,677	$20,628	$1,951	$40,459	$42,637	$2,178
PUBLIC FUNDING REQUIRED						
Operations	$ 7,667	$10,053	$2,386	$18,227	$20,868	$2,641
Capital Related	-	33	33	-	71	71
Total Funding	$ 7,667	$10,086	$2,419	$18,227	$20,939	$2,712
Depreciation	$ 226	$ 243	$ 17	$ 452	$ 486	$ 34
Recovery Ratio	59.67%	51.88%		55.57%	51.65%	

FAVORABLE

METRA PERCENTAGE VARIANCE
ACTUAL VS. BUDGET
THRU FEBRUARY 1986

FIGURE I-B



UNFAVORABLE

SUBURBAN BUS DIVISION

Comments

Current Month

Pace's revenue for the month of February 1986 was $118,000 or 6.9% under budget due to the unfavorable performance of funded carriers, $74,000; contract carriers, $2,000 and paratransit, $25,000.

Operating expenses were $763,000 lower than the budget. With the exception of Contract carriers, all carriers, Central Operations and Administration reported favorable variances. The favorable variances are attributable to Funded Carriers, $236,000; Paratransit, $75,000; Central Operation, $188,000; Insurance, $69,000; Fuel, $108,000 and Administration $88,000. No new service is reported for this month.

The favorable operating expense variance which more than offset the unfavorable revenue variance resulted in a lower funding requirement of $641,000 or 16.3%. The actual recovery ratio of 32.62% exceeded the budgeted ratio of 30.29%.

Year-To-Date

Passenger revenues were 4.1% lower than the budget due primarily to the unfavorable performance of all carriers.

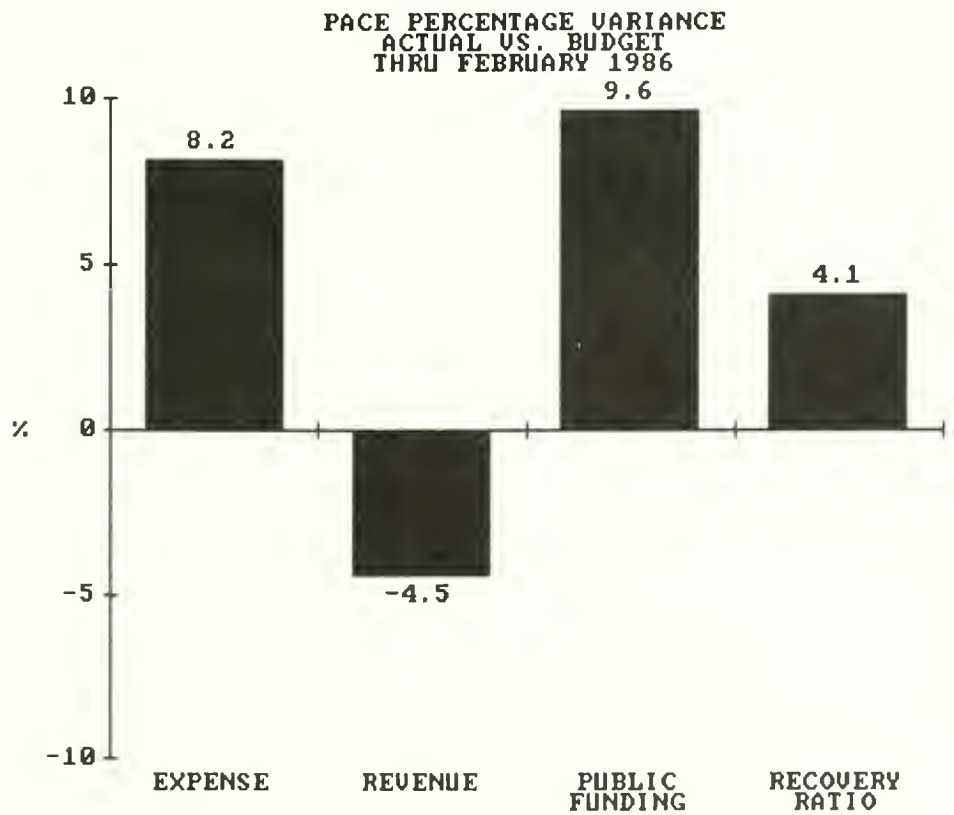
Operating expenses were 8.2% under budget. All carriers reported favorable variances which more than offset the unfavorable revenue variances. Funding requirement is $777,000 or 9.6% lower than the budget. Recovery ratio of 29.64% is favorable to the budgeted ratio of $28.48%.

FY86 SUBURBAN BUS DIVISION BUDGET VARIANCE
($000'S OMITTED)

	FEBRUARY 1986			TWO MONTHS YTD		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
REVENUE						
Passenger	$1,559	$1,660	$ <101>	$ 2,995	$ 3,124	$ <129>
Other	29	46	<17>	77	92	<15>
Total Revenue	$1,588	$1,706	$ <118>	$ 3,072	$ 3,216	$ <144>
EXPENSES						
Operating Expenses	$4,868	$5,631	$ 763	$10,363	$11,290	$ 927
PUBLIC FUNDING REQUIRED						
Operations	$3,280	$3,925	$ 645	$ 7,291	$ 8,074	$ 783
Capital Related	4	-	<4>	6	-	<6>
Total Funding	$3,284	$3,925	$ 641	$ 7,297	$ 8,074	$ 777
Recovery Ratio	32.62%	30.29%		29.64%	28.48%	

FAVORABLE

FIGURE I-C



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SECTION II

RIDERSHIP RESULTS

RIDERSHIP

Systemwide Results

All three divisions reported a decline in ridership for February, 1986 compared to February, 1985. Systemwide, the RTA declined by more than 4%, with CTA showing a decrease of 5.1% while Pace dropped 2.9% and Metra declined less than 1%. Average weekday results also show losses, with CTA dropping by more than 5%, Pace 2.5%, and Metra with only a slight decrease of 0.8%.

Table II-A and Figure II-A summarize RTA and service board results for the month.

Individual Carrier Results

Table II-B shows both monthly and moving annual changes in ridership, by carrier. The monthly results for Pace and Metra are also graphically illustrated in Figures II-B and II-C.

The CTA system decline in February occured on both the bus mode (5.1%) and the rail mode (4.6%). On a moving annual basis CTA continues to show a slight growth rate of 1%.

Several Metra carriers reported decreases this month, with Chicago South Shore showing the greatest decline of 19.6%. Nevertheless, several lines did report gains for the month and the Rock Island was up 7% from 1985. The Metra system also remains positive on a moving annual basis.

Most of Pace carriers also reported ridership declines for February with Wilmette, Highland Park and Glen Ellyn reporting the largest decreases. Only paratransit showed a significant gain in February (8%) though Pace South was also slightly ahead of 1985 (2%). The Pace moving annual growth rate dropped a half point to 5% in February.

TABLE II-A

RTA System Ridership Changes
February, 1986

	Monthly 02/85 vs. 02/86 % Increase (Decrease)	Avg. Weekday* 02/85 vs. 02/86 % Increase (Decrease)	Year-To-Date Thru 02/86 % Increase (Decrease)
Chicago Transit Authority	(5.1)	(5.4)	(1.5)
Commuter Rail Division	(0.8)	1.8	1.7
Suburban Bus Division	(2.9)	(2.5)	1.3
RTA Systemwide	(4.6)	(4.5)	(1.1)

*There were 19 working weekdays in February, 1985 vs. 19 in February, 1986.

FIGURE II-A

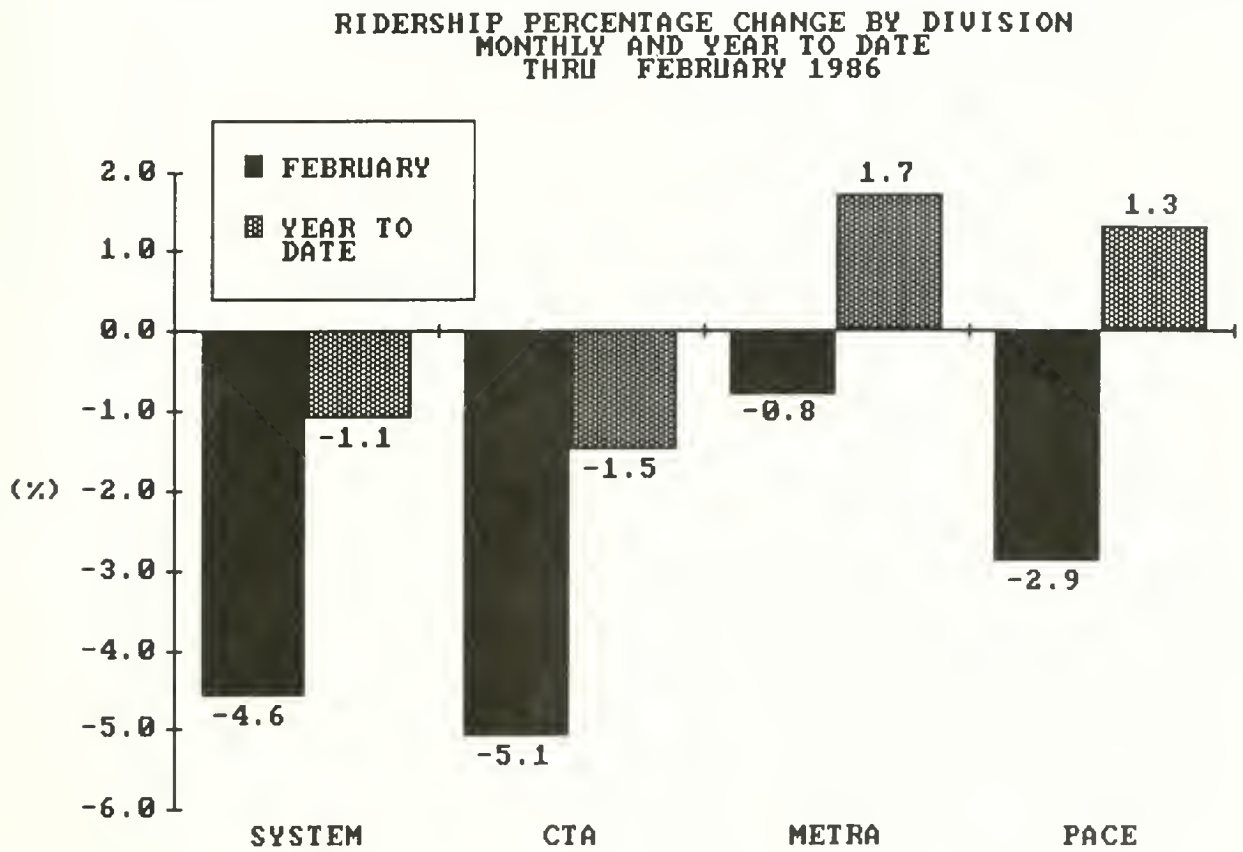


TABLE II-B

RTA SYSTEM RIDERSHIP CHANGES BY DIVISION

CHICAGO TRANSIT AUTHORITY

CARRIER	MONTHLY % CHANGE	12-MONTH* % CHANGE
Rapid Transit	(4.6)	1.4
Bus	(5.1)	0.8
CTA Total	(5.1)	0.9

COMMUTER RAIL DIVISION

CARRIER	MONTHLY % CHANGE	12-MONTH* % CHANGE
Burlington Norhtern, Inc.	(2.1)	2.6
Chicago & NorthWestern Transportation Company	(1.2)	1.5
North Line	(1.0)	2.5
Northwest Line	(0.5)	0.7
West Line	(2.4)	1.8
Chicago South Shore and South Bend Railroad	(19.6)	5.9
Illinois Central Gulf Railroad Company	0.1	4.9
Main Line	(0.5)	4.8
South Chicago	(2.7)	2.2
Blue Island	2.4	3.5
Joliet (Diesel)	10.5	17.3
NIRC - Milwaukee Road District	0.7	3.4
North Line	0.7	4.6
West Line	0.5	2.4
NIRC - Rock Island District	7.1	8.0
Norfolk Western	3.7	4.5
Metra Total	(0.8)	3.4

SUBURBAN BUS DIVISION

CARRIER	MONTHLY % CHANGE	12 MONTH* % CHANGE
City of Aurora	(2.9)	3.3
City of Elgin	(2.4)	(0.6)
Village of Glen Ellyn	(8.2)	1.3
City of Highland Park	(8.8)	39.1
Joliet Mass Transit District	(6.0)	(1.2)
Melrose Park	1.7	7.2
City of Naperville	(0.7)	13.4
Village of Niles	(1.8)	0.8
North Suburban Mass Transit District	(2.4)	3.1
Pace North Division	0.3	0.7
Pace South Division	2.1	10.6
Pace Southwest Division	(4.8)	9.9
Pace West Division	(2.4)	6.9
Village of Wilmette	(14.2)	(5.5)
Other Contract Services	(5.2)	(0.4)
Paratransit	8.2	6.1
Pace Total	(2.9)	5.0

*Moving Average

FIGURE II-B

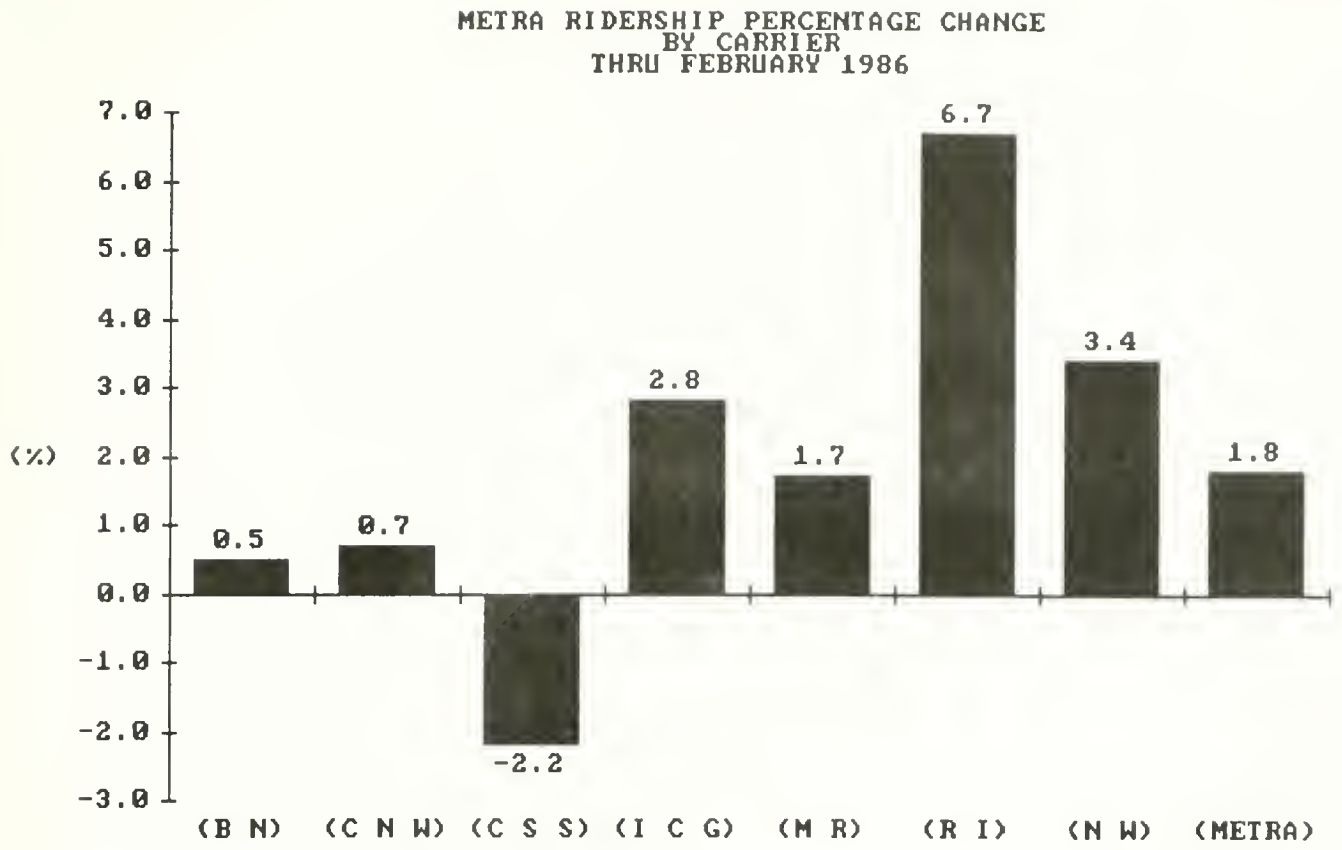
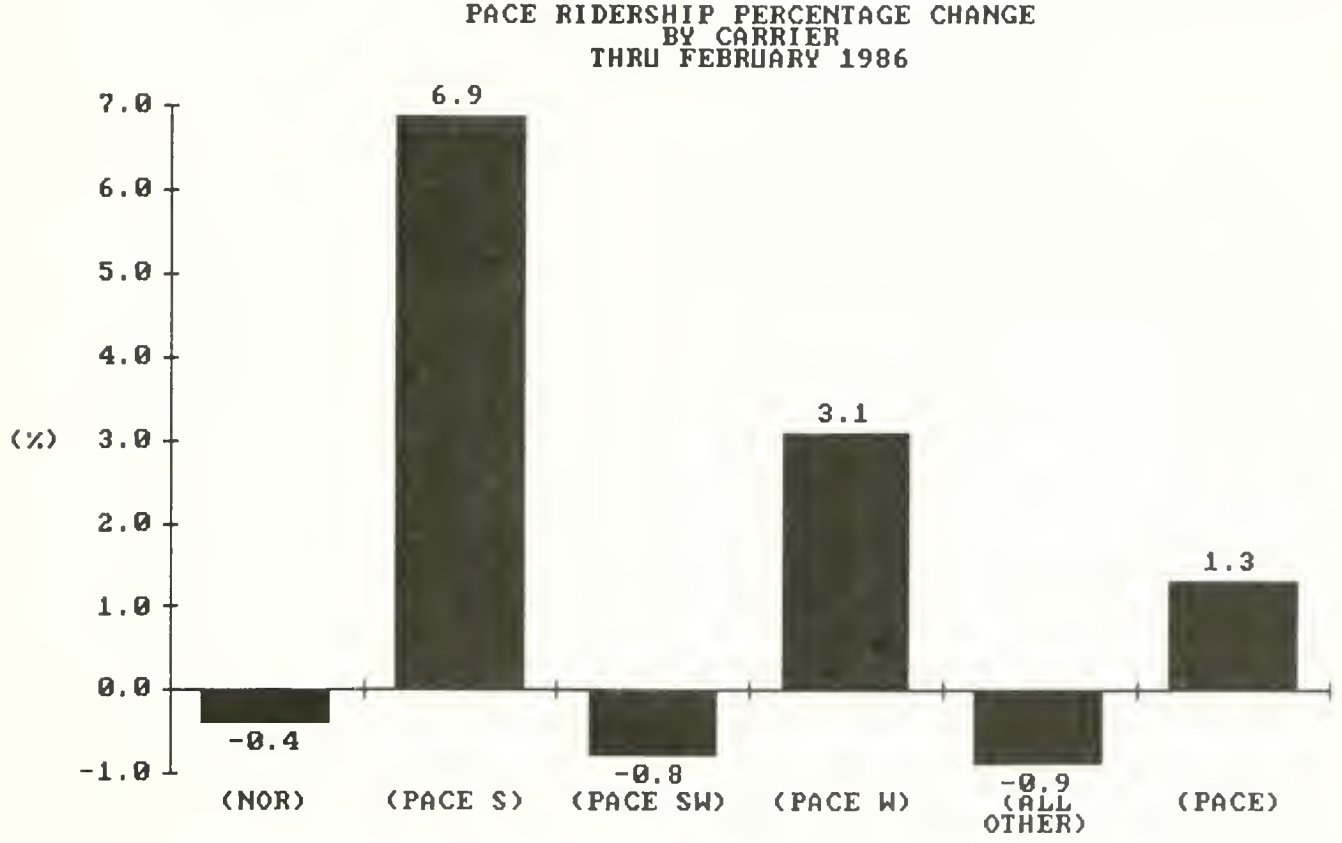


FIGURE II-C



SECTION III

PERFORMANCE INDICATORS

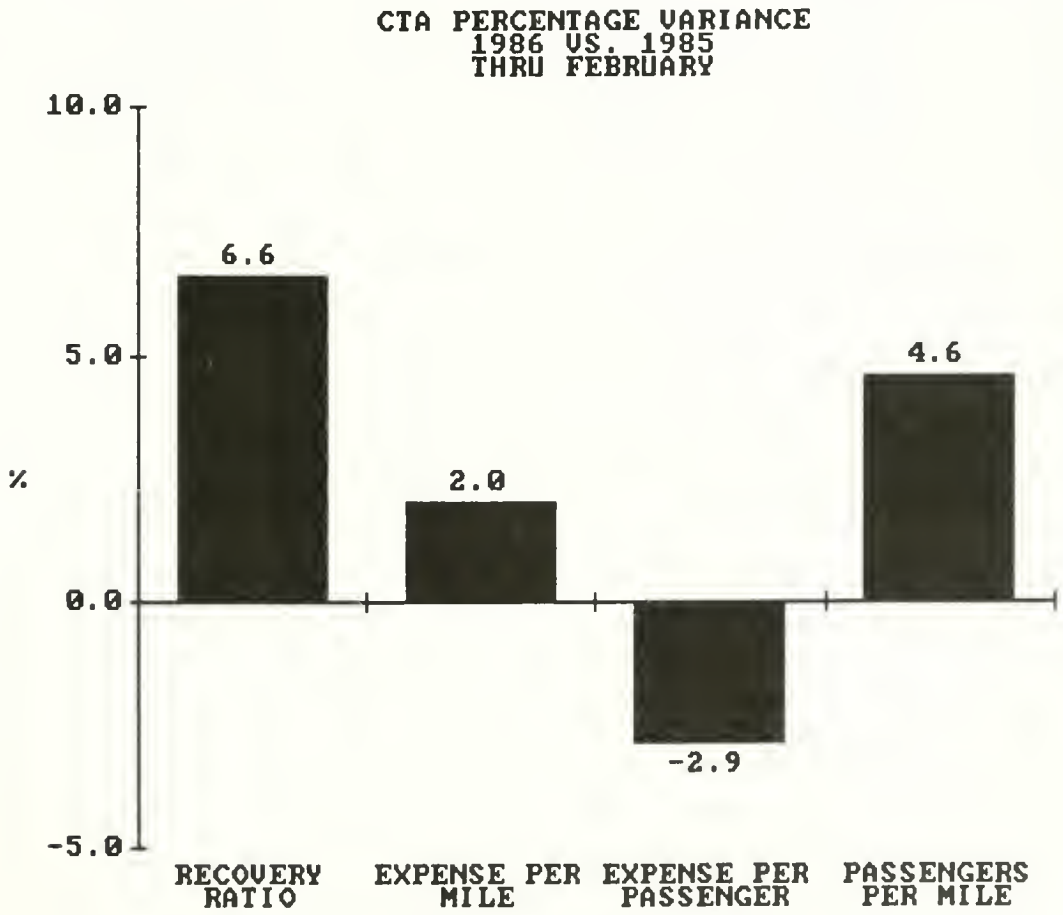
PERFORMANCE INDICATORS

Chicago Transit Authority

CTA continued to improved on 1985 financial performance thru February, 1986. As illustrated by Figure II-A below, recovery ratio continues almost 7% better than last year for the system. In large part, this improvement was due to a 14% increase in rapid transit revenue from the new fare structure implemented in February, and due to continued lower expenses when compared to 1985. This latter fact is not reflected in the expense per mile ratio which is up 2%, because motor bus revenue miles are down substantially (8%). CTA staff believe that this is due to a reporting problem, and are working to resolve the issue. Expense per passenger however, is 3% below 1985 despite a slight decline in total ridership. Passengers per revenue mile show a 4.6% improvement for the year-to-date, but this apparent positive result is also questionable given the uncertainty concerning the bus revenue mile count.

Table III-A and Figures III-B thru III-E show additional detail on performance indicators by mode and for the system. Particularly significant is the improvement of the rapid transit recovery ratio relative to that of motor bus. In February, the bus ratio of 51% was only slightly above the rapid rail ratio of 46%. Historically the bus ratio has exceeded that of rapid rail by 20% or more.

FIGURE III-A



CHICAGO TRANSIT AUTHORITY: PERFORMANCE INDICATORS
THRU FEBRUARY 1986 VS. 1985

		YTD 1986	YTD 1985	% Change
Rapid Transit				
Oper. Rev./Oper. Exp.	(%)	43.16	37.82	14.1
Oper. Exp./Rev. Mile	($)	4.51	4.70	(4.1)
Oper. Exp./Passengers	($)	1.47	1.51	(2.9)
Rev. Hrs./Oper. Pay Hrs.		52.23	52.72	(0.9)
Rev. Miles/Mech. Work Hr.		34.82	36.83	(5.5)
Passengers/Rev. Mi.		3.07	3.11	(1.3)
Passengers/Rev. Hr.		76.39	77.36	(1.3)
Motor Bus				
Oper. Rev./Oper. Exp.	(%)	50.78	49.25	3.1
Oper. Exp./Rev. Mile	($)	5.43	5.12	6.0
Oper. Exp./Passengers	($)	0.82	0.84	(1.9)
Rev. Hrs./Oper. Pay Hrs.		76.90	83.07	(7.4)
Rev. Miles/Mech. Work Hr.		25.47	27.33	(6.8)
Passengers/Rev. Mi.		6.60	6.11	8.1
Passengers/Rev. Hr.		66.24	61.30	8.1
System Total				
Oper. Rev./Oper. Exp.	(%)	48.07	45.12	6.6
Oper. Exp./Rev. Mile	($)	5.06	4.96	2.0
Oper. Exp./Passengers	($)	0.97	1.00	(2.9)
Rev. Hrs./Oper. Pay Hrs.		69.92	74.52	(6.2)
Rev. Miles/Mech. Work Hr.		28.52	30.31	(5.9)
Passengers/Rev. Mi.		5.19	4.96	4.6
Passengers/Rev. Hr.		68.39	64.51	6.0

FIGURE III-B

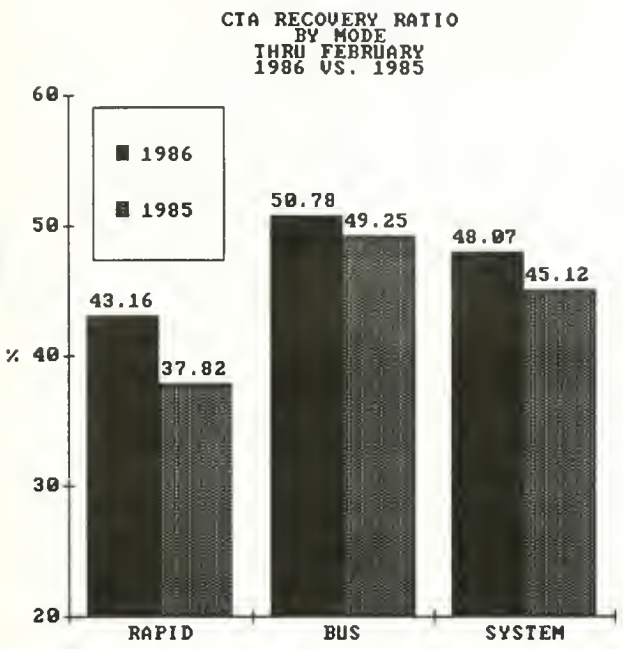


FIGURE III-C

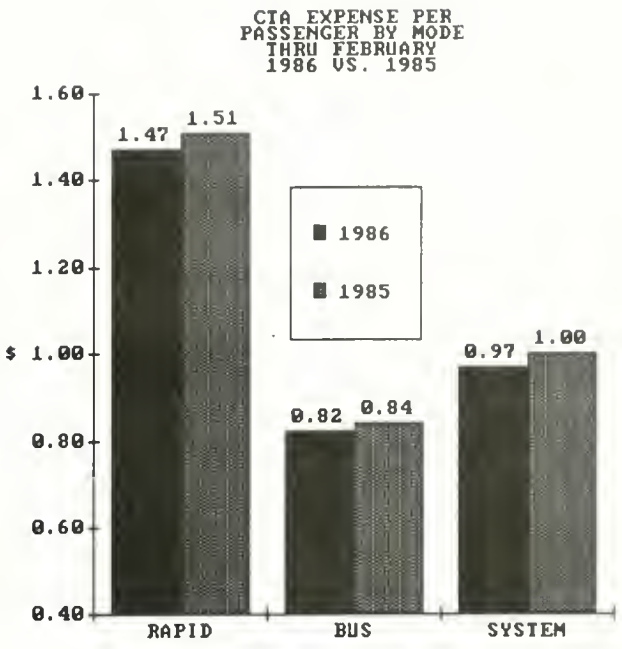


FIGURE III-D

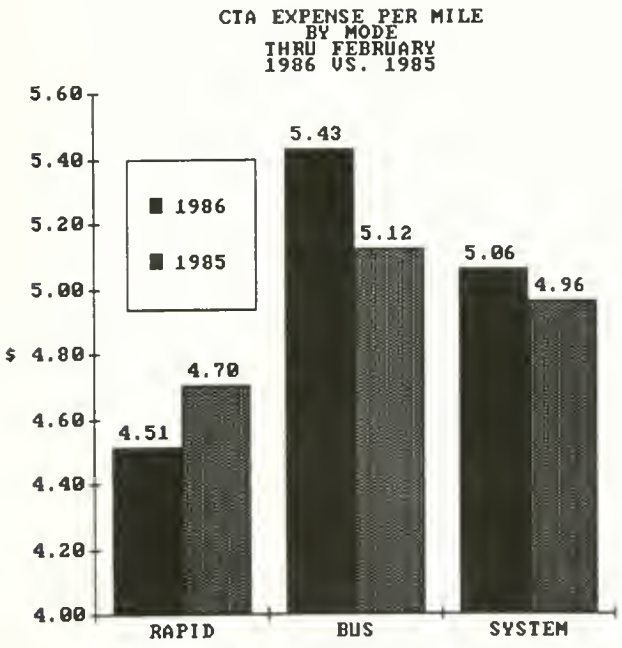
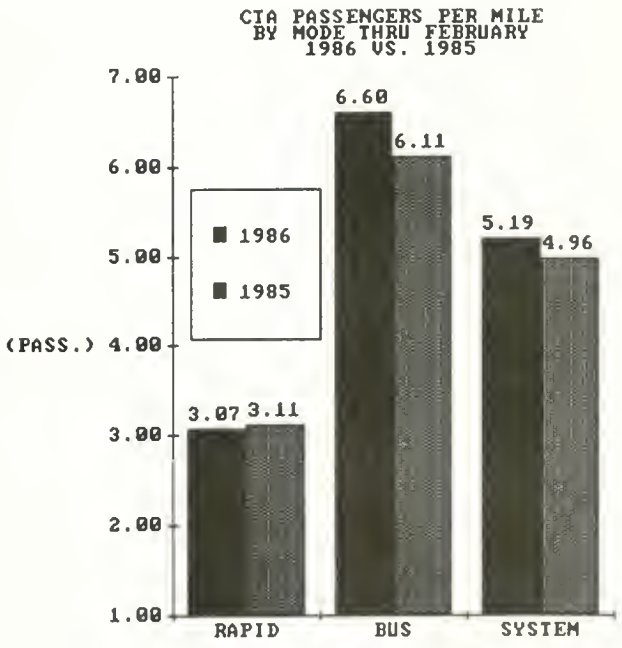


FIGURE III-E



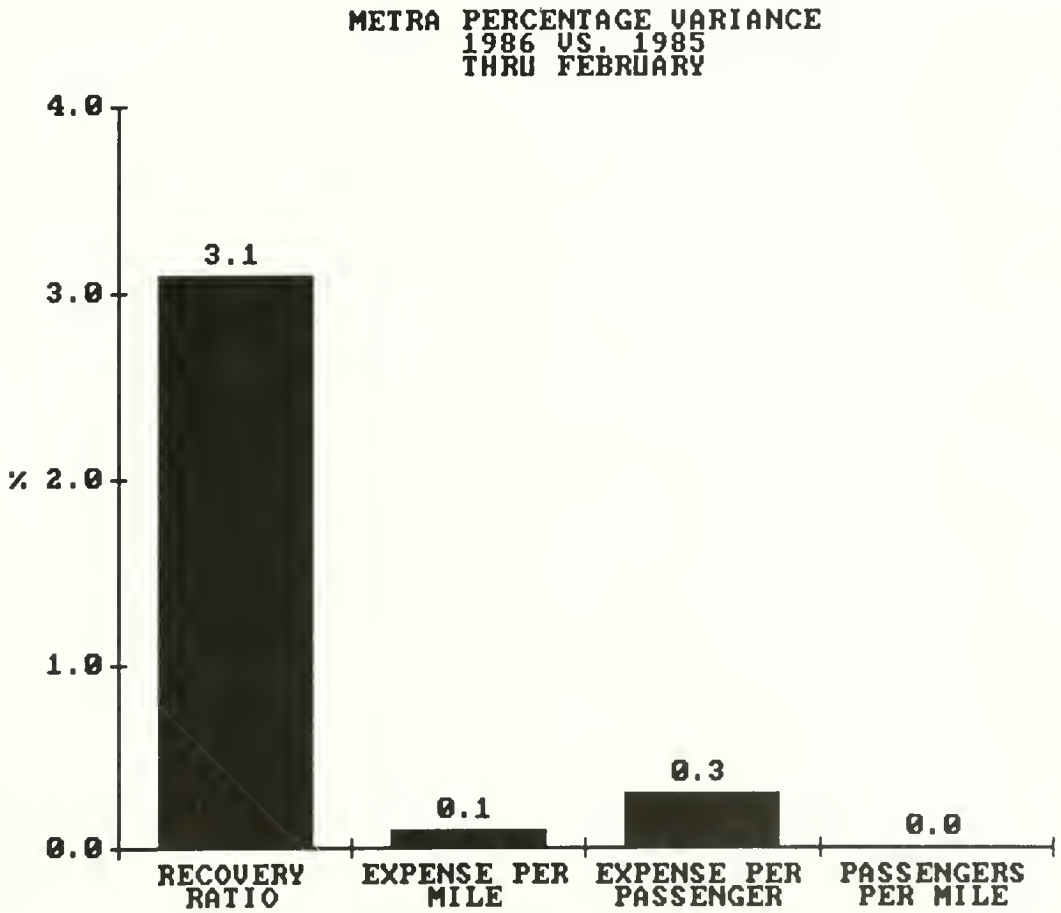
Commuter Rail Division financial performance for February, as demonstrated by Figure III-F below, improved slightly from 1985 results. The recovery ratio for the system increased 3% while operating expense per revenue mile decreased slightly and operating expense per passenger experienced only a modest increase when compared with 1985 levels.

Peak period capacity utilization was off slightly from year earlier levels. Gains posted by ICG were offset by declines on the South Shore as all other carriers increased slightly from 1985 year-to-date levels. On time performance again increased for the system from 1985. With the South Shore posting a significant 40% gain, the system experienced the second best on-time performance since the inception of Metra (NIRC), being surpassed only by the January 1986 results. Service effectiveness was flat when compared to year earlier results.

At the individual carrier level, the South Shore again posted significant increases in financial performance. The CSS recovery ratio gained almost 74%, while operating expense per revenue mile decreased almost 37% and operating expense per passenger declined nearly 27%. This is a continuing result of a major accident in January, 1985 that resulted in extraordinary expenses impacting the year earlier period. Among the major carriers, the BN continued its strong start with improvement in almost every ratio.

If should be noted that revenue and expense for February 1986 year-to-date results were based on estimates (except NIRC).

FIGURE III-F



COMMUTER RAIL DIVISION: PERFORMANCE INDICATORS
THRU FEBRUARY 1986 VS. 1985

		YTD 1986	YTD 1985	% Change
Burlington Northern				
Oper. Rev./Oper. Exp.	(%)	72.73	66.68	9.1
Oper. Exp./Rev. Mi.	($)	10.42	11.52	(9.5)
Oper. Exp./Passenger	($)	2.61	2.82	(7.4)
Peak Per. Cap. Util.	(%)	89.60	89.30	0.3
Trains On-Time	(%)	97.60	95.60	2.1
Passengers/Rev. Mi.		4.00	4.09	(2.2)
Chicago & Northwestern				
Oper. Rev./Oper. Exp.	(%)	60.47	60.33	0.2
Oper. Exp./Rev. Mi.	($)	9.76	9.66	1.0
Oper. Exp./Passenger	($)	3.52	3.47	1.4
Peak Per. Cap. Util.	(%)	77.70	78.80	(1.4)
Trains On-Time	(%)	97.40	95.00	2.5
Passengers/Rev. Mi.		2.77	2.78	(0.4)
Chicago South Shore				
Oper. Rev./Oper. Exp.	(%)	55.16	31.76	73.7
Oper. Exp./Rev. Mi.	($)	7.66	12.08	(36.6)
Oper. Exp./Passenger	($)	5.55	7.55	(26.5)
Peak Per. Cap. Util.	(%)	95.30	118.50	(19.6)
Trains On-Time	(%)	90.10	64.30	40.1
Passengers/Rev. Mi.		1.38	1.60	(13.8)
Illinois Central Gulf				
Oper. Rev./Oper. Exp.	(%)	42.91	42.43	1.1
Oper. Exp./Rev. Mi.	($)	16.78	16.05	4.5
Oper. Exp./Passenger	($)	4.70	4.53	3.8
Peak Per. Cap. Util.	(%)	72.40	64.70	11.9
Trains On-Time	(%)	97.00	94.50	2.6
Passengers/Rev. Mi.		3.57	3.54	0.8
Norfolk Western				
Oper. Rev./Oper. Exp.	(%)	100.29	93.95	6.7
Oper. Exp./Rev. Mi.	($)	11.54	11.82	(2.4)
Oper. Exp./Passenger	($)	1.77	1.87	(5.3)
Peak Per. Cap. Util.	(%)	80.60	80.40	0.2
Trains On-Time	(%)	97.00	93.40	3.9
Passengers/Rev. Mi.		6.52	6.31	3.3
NIRC				
Oper. Rev./Oper. Exp.	(%)	51.08	49.05	4.1
Oper. Exp./Rev. Mi.	($)	14.09	13.76	2.4
Oper. Exp./Passenger	($)	4.67	4.62	1.1
Peak Per. Cap. Util.	(%)	78.60	77.50	1.4
Trains On-Time	(%)	98.70	96.80	2.0
Passengers/Rev. Mi.		3.02	2.97	1.7
System Total				
Oper. Rev./Oper. Exp.	(%)	55.57	53.90	3.1
Oper. Exp./Rev. Mi.	($)	12.10	12.09	0.1
Oper. Exp./Passenger	($)	3.83	3.82	0.3
Peak Per. Cap. Util.	(%)	79.60	79.90	(0.4)
Trains On-Time	(%)	97.10	93.50	3.9
Passengers/Rev. Mi.		3.16	3.16	0.0

FIGURE III-G

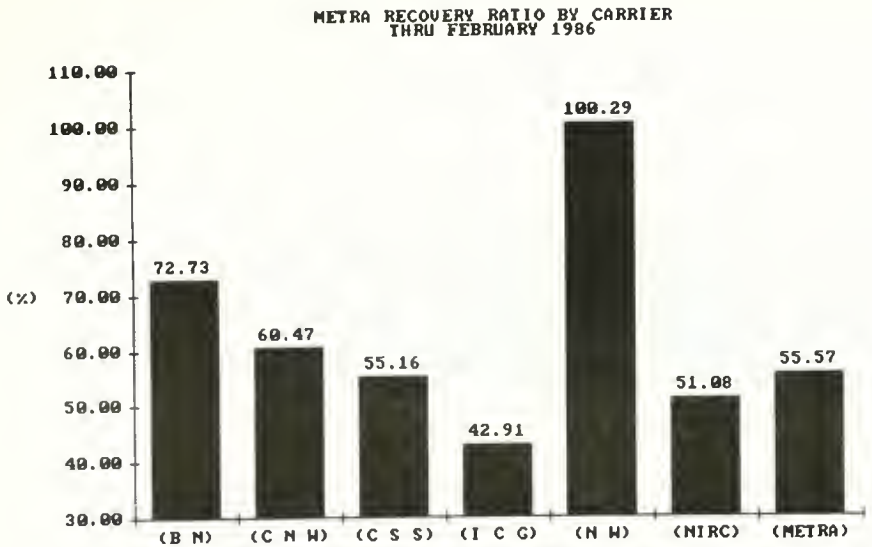


FIGURE III-H

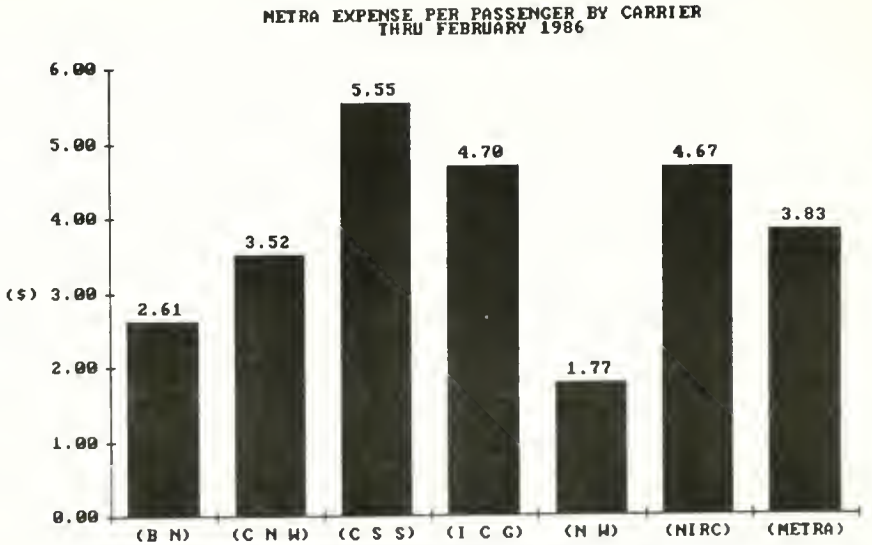


FIGURE III-I

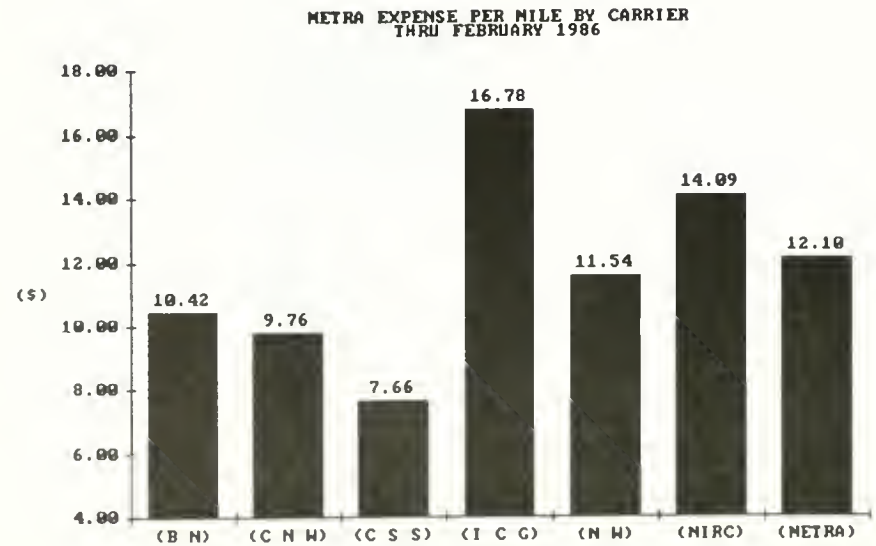
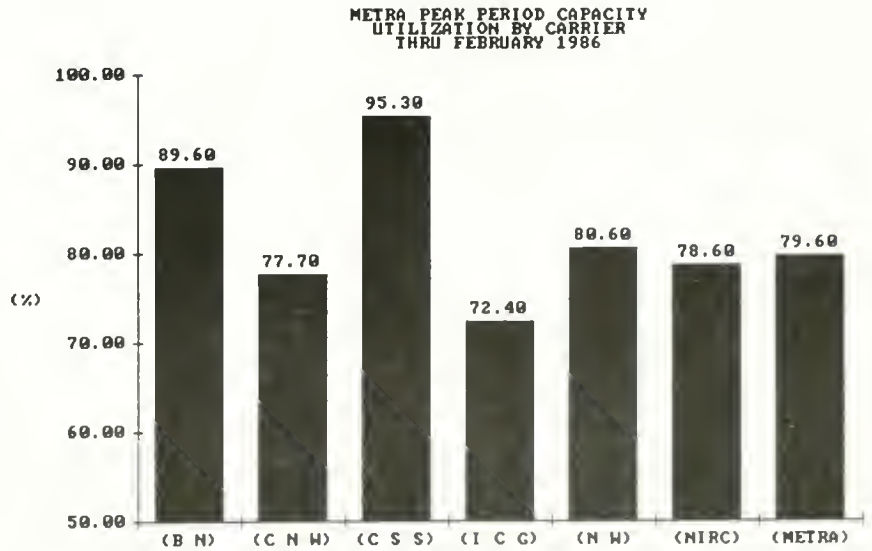


FIGURE III-J



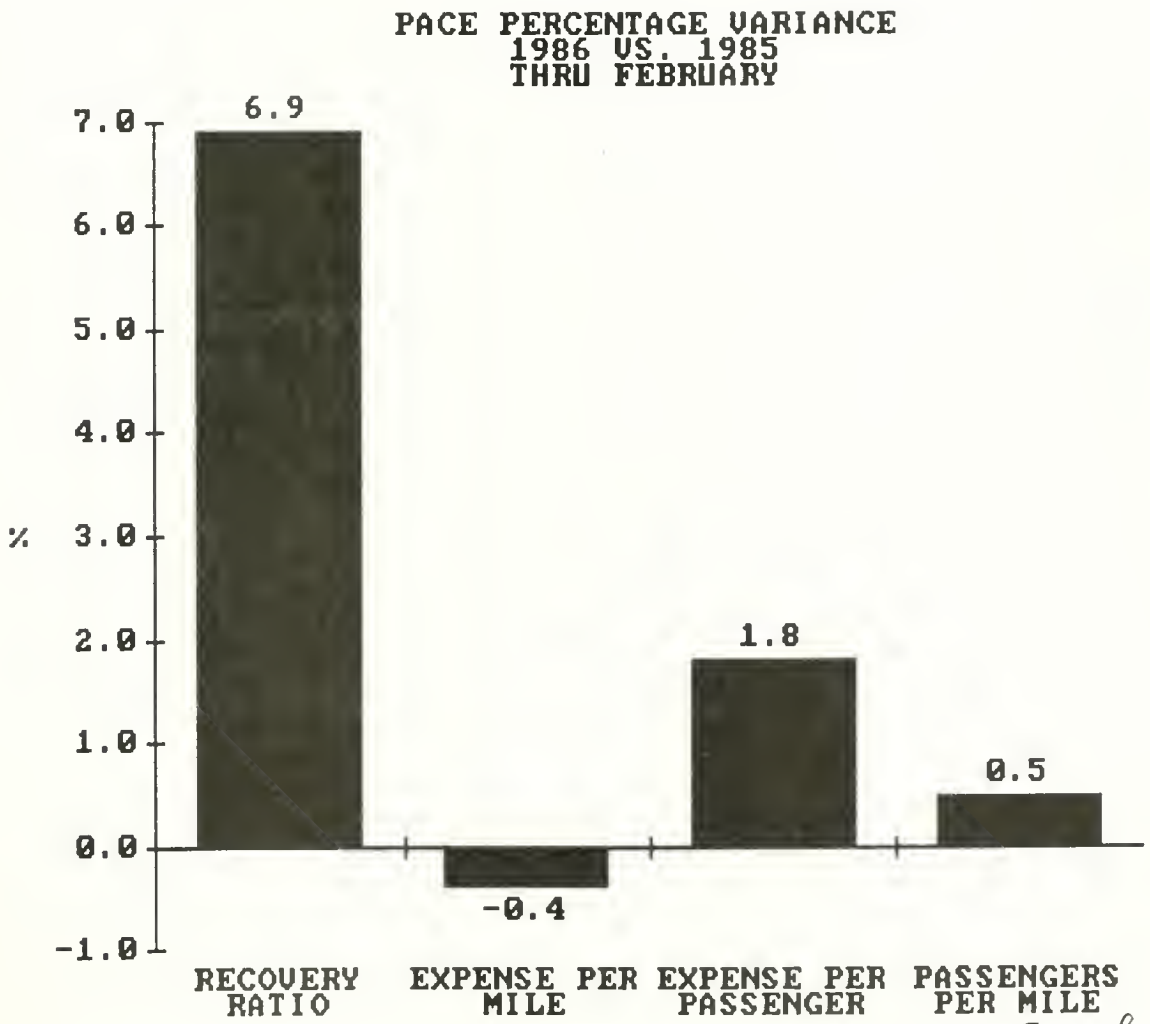
Suburban Bus Division

The Suburban Bus Division reported a moderate improvement in financial performance thru February 1986 (see Figure III-K below). The 1986 year-to-date results reflect a revenue increase of almost 11% while expenses increased less than 4% to generate a 7% higher recovery ratio. Other financial indicators were steady as operating expense per revenue mile declined slightly and operating expense per passenger increased less than 2% from 1985 levels.

Service effectiveness was flat for the period, as passengers per revenue mile and per revenue hour increase less than 1%. Among the carrier groups, the Pace carriers reported a slight increase in effectiveness indicators, but the Other Carriers category declined approximately 2%. Selected performance indicators are illustrated in Figures III-L thru III-O that follow.

The system total indicators are in part estimated due to the fact that Nortran has not yet reported any operating or financial results for 1986 as of the date of this report.

FIGURE III-K



ridership not holding up - but by how much increases

SUBURBAN BUS DIVISION: PERFORMANCE INDICATORS THRU FEBRUARY 1986 VS. 1985

		YTD 1986	YTD 1985	% Change
Nortran				
Oper. Rev./Oper. Exp.	(%)			
Oper. Exp./Rev. Mi.	($)			
Oper. Exp./Passenger	($)			
Rev. Hrs./Oper. Pay Hrs.	(%)			
Passengers/Rev. Mi.				
Passengers/Rev. Hr.				
Pace Carriers				
Oper. Rev./Oper. Exp.	(%)	35.34	31.79	11.2
Oper. Exp./Rev. Mi.	($)	2.65	2.69	(1.5)
Oper. Exp./Passenger	($)	1.21	1.24	(2.4)
Rev. Hrs./Oper. Pay Hrs.	(%)	87.00	87.77	(0.9)
Passengers/Rev. Mi.		2.19	2.16	1.4
Passengers/Rev. Hr.		31.80	31.28	1.7
Other Carriers				
Oper. Rev./Oper. Exp.	(%)	30.29	29.01	4.4
Oper. Exp./Rev. Mi.	($)	2.11	2.15	(1.9)
Oper. Exp./Passenger	($)	1.13	1.13	0.0
Rev. Hrs./Oper. Pay Hrs.	(%)	84.94	80.93	5.0
Passengers/Rev. Mi.		1.88	1.91	(1.6)
Passengers/Rev. Hr.		26.46	27.06	(2.2)
System Total				
Oper. Rev./Oper. Exp. *	(%)	29.65	27.73	6.9
Oper. Exp./Rev. Mi.	($)	2.53	2.54	(0.4)
Oper. Exp./Passenger *	($)	1.66	1.63	1.8
Rev. Hrs./Oper. Pay Hrs.	(%)	87.27	86.67	0.7
Passengers/Rev. Mi.		2.11	2.10	0.5
Passengers/Rev. Hr.		30.87	30.75	0.4

Pace Carriers	Other Carriers
North Division	Aurora
South Division	Elgin
Southwest Division	Highland Park
West Division	Joliet
	Wilmette

NOTE: System total is based on available carrier data and includes SBD administrative expense.

* Includes contract and paratransit data.

FIGURE III-L

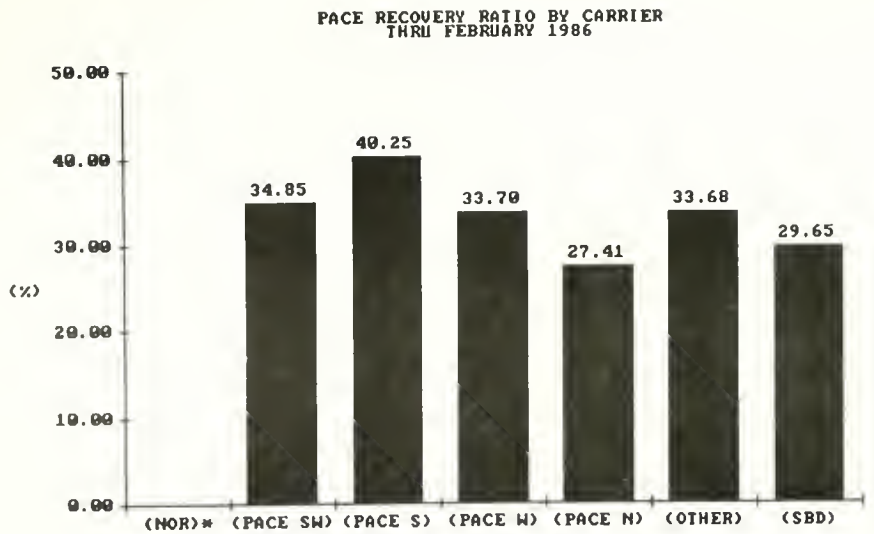


FIGURE III-M

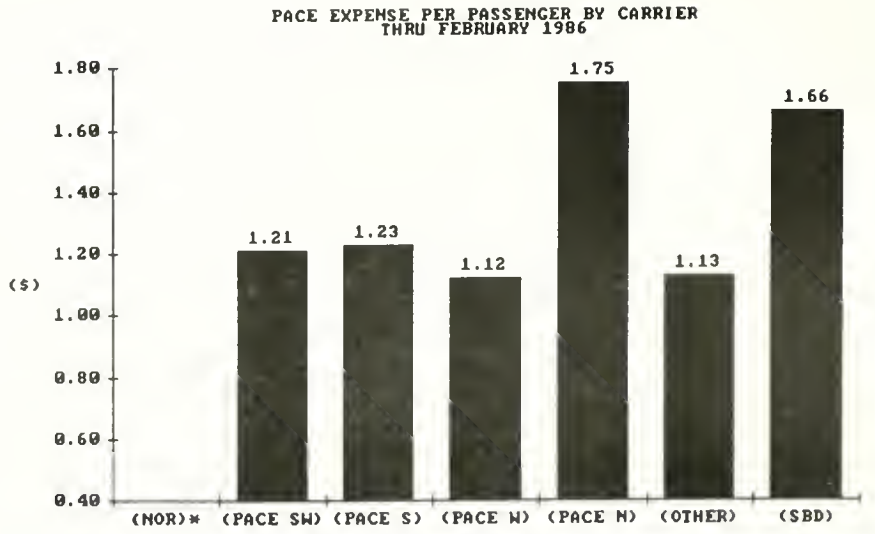


FIGURE III-N

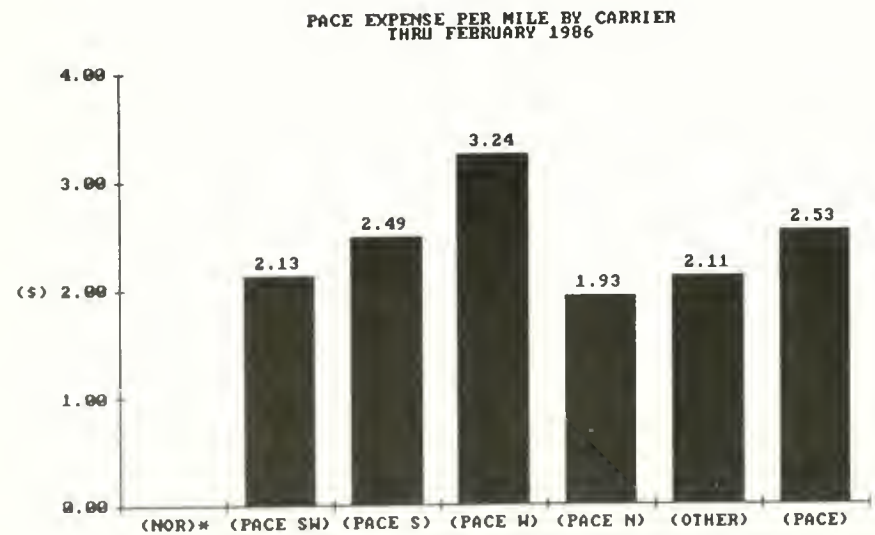
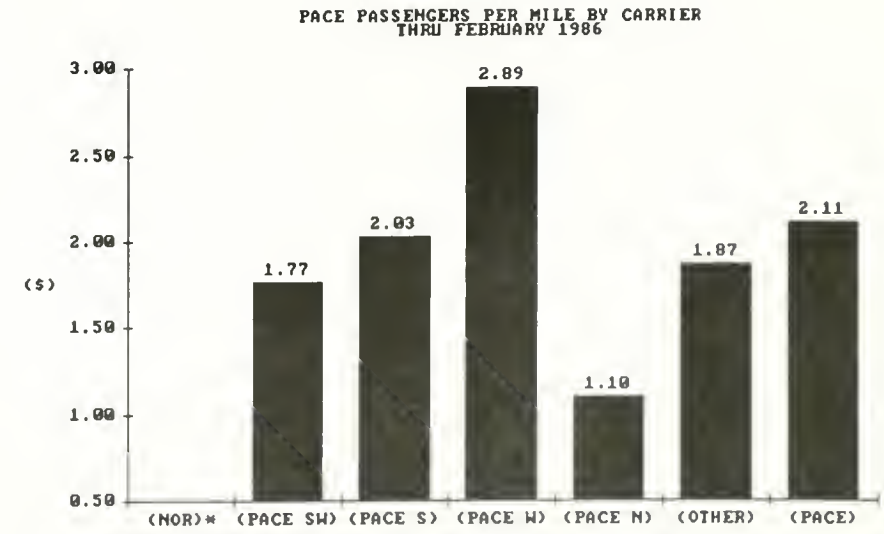


FIGURE III-O



SECTION IV

FINANCIAL POSITION

REGIONAL TRANSPORTATION AUTHORITY
COMMENTS TO FINANCIAL STATEMENTS
FOR TWO MONTHS ENDED FEBRUARY 28, 1986

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

These statements are based upon preliminary December 31, 1985 balances and are therefore subject to change pending completion of the audit of the financial statements for the fiscal year ended December 31, 1985. Since these statements have not been audited, the RTA has elected to omit many of the disclosures required in audited financial statements.

The RTA maintains its accounting records and prepares its basic financial statements on the modified accrual basis of accounting in conformity with generally accepted accounting principles <GAAP>.

NOTE 2 - BALANCE SHEET DISCUSSION - GENERAL FUND

RTA Management has elected to address only those balance sheet items of interest either because of significant events relating to those items or their unusual nature.

A. Advances to Service Divisions

These amounts result from various activities of the RTA in providing services or assistance to the Service Divisions which may be in excess of their deficit funding needs. Amounts due from the Service Divisions are as follows:

Description	(In thousands) Commuter Rail Division	Suburban Bus Division
Over(under)funding of operating deficits	$5,574	$ <608>
Receivables from 1984		
Prepaid Insurance	1,495	
Duplicate capital grant payment		467
Carrier Advances/Receivables	369	379
NIRC - overfunding at June 30, 1984	389	
Proceeds on Sale of Buses		3
Due from carrier audits		360
IDOT funds collected - not reimbursed to RTA	324	72
Receivables from 1985 and 1986		
Advice of charges	62	125
Link-up	115	30
Cash advances		4,000
Total Reported	$8,328	$4,828

It should be noted that while these amounts have been recorded by the RTA as due from the Service Divisions, the Service Divisions do not necessarily agree that amounts are indeed due. Efforts to resolve the differences will hinge upon certain policy decisions of the Board some cases, and also upon staff level efforts.

To a certain extent some progress can be reported on reconciling these advance items. For example, Pace has confirmed as payable to the RTA the majority of the items above.

B. Accrued Operating Assistance - Chicago Transit Authority

The $36.4 million shown as payable to the CTA from the General Fund represents the accrued financial assistance due to the CTA for the two months ended February 28, 1986 for actual deficit costs incurred, per the CTA's February financial statements, and an accrual adjustment made by the RTA. This amount does not include any of the $44 million disputed payables relating to prior years' activities. In addition, $27.4 million has been recognized as an Agency Fund payable to the CTA at 2/28/86 for their share of accrued sales taxes receivable at that date.

C. Accounts Payable - Accrued Expenses.

This amount primarily represents costs incurred by the RTA in the conduct of both its administrative functions and its functions benefiting transportation for the region as a whole. It does not relate to current operating or capital assistance. However, included in this amount are two contingently payable amounts. The first contingent payable is $1,786,000 (of the $44 million claimed), which is the amount believed owed the CTA by the RTA, based upon an analysis by the RTA's legal counsel.

The second amount contingently payable is $1.5 million of a $3 million judgement against the RTA relating to the acquisition of certain transportation assets used in providing suburban bus services. The case is under appeal by the RTA.

REGIONAL TRANSPORTATION AUTHORITY
COMBINED BALANCE SHEET
FEBRUARY 28, 1986
(in thousands)

ASSETS:	General Fund	Agency Fund	General Fixed Assets
Current assets:			
Cash and investments:			
Unrestricted:			
Working cash	$106,897	$	$
Restricted:			
Capital grants	41,354		
Prior year budget variance	26,826		
Other restricted	1,056		
Retailers' occupation and use tax (sales tax) receivable	9,399	53,262	
Accrued revenues:			
Public transportation fund	461		
Federal operating grant	9,380		
Technical studies grants	210		
Interest	1,709		
Capital grants receivable	700		
Advances to service divisions for operations:			
Commuter Rail Division	8,328		
Suburban Bus Division	4,828		
Prepaid issue expense	381		
Other	66		
Total current assets	211,595	53,262	-
Fixed assets:			
Leasehold improvements			118
Furniture & equipment			444
Total fixed assets	-	-	562
Total assets	$211,595	$53,262	$562
Total assets-all funds (memo only)	$265,419		

LIABILITIES AND FUND BALANCE:	General Fund	Agency Fund	General Fixed Assets
Current liabilities:			
Accrued operating assistance:			
Chicago Transit Authority	$36,426	$	$
Commuter Rail Division			
Suburban Bus Division			
Accrued capital assistance:			
Chicago Transit Authority	92		
Commuter Rail Division	685		
Other interagency payables	514		
Accounts payable-accrued expenses	4,606		
1985 Working cash notes	100,000		
Deferred premium - notes	147		
Deferred capital grant	478		
Sales tax distributions due to service divisions		53,262	
Total current liabilities	142,948	53,262	-
Fund balance:			
Reserved for local match - capital grants	25,824		
Reserved for capital projects not funded by UMTA or IDOT	14,753		
Available for current appropriations	28,070		
Investment in general fixed assets			562
Total fund balance	68,647	-	562
Total liabilities and fund balance	$211,595	$53,262	$562
Total liabilities and fund balance-all funds (memo only)	$265,419		

The accompanying notes to unaudited financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF APPROPRIATIONS
FOR THE TWO MONTHS ENDED FEBRUARY 28, 1986
(In thousands)

	ACTUAL			BUDGET
	General Fund	Agency Fund Sales Tax	Funds Combined	Funds Combined
Sources of Funds:				
Retailers' occupation & use tax (sales tax)	$ 7,305	$ 41,398	$ 48,703	$ 52,103
Public transporation fund	12,175		12,175	13,028
Public transportation tax (gas tax)	22		22	34
Federal operating assistance grant	9,380		9,380	9,666
Interest:				
Prior year budget variance funds	360		360	-
All other	1,869		1,869	1,698
Other grants and reimbursements	6		6	40
Total sources of funds	$ 31,117	$ 41,398	$ 72,515	$ 76,569
Uses of Funds:				
Financial assistance to service divisions:				
Operating grants:				
Chicago Transit Authority	$ 25,212	$ 21,705	$ 46,917	$ 53,861
Commuter Rail Division	454	15,113	15,567	20,105
Suburban Bus Division	2,958	4,580	7,538	8,241
Capital grants	1,197		1,197	-
Prior year budget variance	5,646		5,646	5,646
Ridership information, marketing and demonstration programs	336		336	502
Administration	595		595	871
Other regional costs	276		276	242
Professional services - 1985 notes interest	138		138	-
	917		917	958
Total uses of funds	$ 37,729	$ 41,398	$ 79,127	$ 90,426

The accompanying notes to unaudited financial statements are an integral part of this statement.

APPENDIX A

CASH FLOW FORECAST

COMMENTS

Actual cash receipts, payments, and balances are included through April. May through December amounts are projections.

Federal operating grant receipts are forecast to be $56,286,000 instead of the original budget of $58 million. Negotiations with Northwest Indiana resulted in a favorable exchange of $1.5 million in operating funds in return for $3.0 million in capital funds.

In some cases, for clarity's sake, cash payments have been displayed in the month to which they relate rather than to the month in which paid. For example, PTF received on the 28th of February was paid to the service boards on March 4th.

The Sales Tax Revenues report now reflects the first month's actual 1986 sales tax. Although January's actual was 5.4% larger than budget, one month of actual information is not enough data to establish a trend. In fact, December's 1985 actual sales tax was 5.4% under 1985's budget.

1986 CASHFLOW PROJECTION
(In Thousands of Dollars)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
BEGINNING BALANCE	171,076	164,088	164,818	151,008	134,350	97,425	80,802	37,830	42,194	45,454	41,320	44,826	171,076
RECEIPTS:													
SALES TAX	29,000	29,000	36,957	27,169	24,491	29,981	30,753	35,727	27,600	33,839	29,287	29,833	363,637
PUBLIC TRANS FUND	7,250	7,250	9,239	6,792	6,123	7,495	7,688	8,932	6,900	8,460	7,322	7,458	90,909
UMTA SECTION 9	0	0	0	0	28,143	0	0	0	28,143	0	0	0	56,286
INTEREST INCOME/MISC	1,119	949	978	960	995	609	505	236	264	284	258	280	7,437
MOTOR FUEL TAX	0	89	0	0	0	0	50	0	0	50	0	0	189
UWP	53	197	0	0	0	0	0	0	0	0	0	0	250
MOBILITY LIMITED GRANT	0	0	0	0	375	375	375	375	750	750	750	750	4,500
NOTE PROCEEDS	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL RECEIPTS	37,422	37,485	47,174	34,921	60,127	38,460	39,371	45,270	63,657	43,383	37,617	38,321	523,208
SALES TAX ALLOC													
CTA	12,930	12,916	15,316	12,043	10,906	13,351	13,695	15,910	12,291	15,069	13,042	13,285	160,754
CRD	8,990	9,001	10,880	8,482	7,602	9,307	9,546	11,090	8,568	10,504	9,091	9,261	112,322
SBD	2,299	2,733	3,300	2,569	2,309	2,826	2,899	3,368	2,602	3,190	2,761	2,812	33,668
MOBILITY LIMITED ALLOC													
CTA	0	0	0	0	250	250	250	250	500	500	500	500	3,000
CRD	0	0	0	0	42	42	41	42	83	82	84	84	500
SBD	0	0	0	0	83	83	84	83	167	168	166	166	1,020
UMTA SECTION 9 ALLOC													
CTA	0	0	0	0	24,307	0	0	0	24,307	0	0	0	48,614
CRD	0	0	0	0	2,409	0	0	0	2,409	0	0	0	4,818
SBD	0	0	0	0	1,427	0	0	0	1,427	0	0	0	2,854
PTF ALLOCATION													
CTA	6,221	6,221	7,444	5,828	5,254	6,431	6,596	7,664	5,920	7,259	6,282	6,399	77,519
CRD	220	220	263	206	186	227	233	271	209	256	222	226	2,739
SBD	810	810	969	759	684	837	859	998	771	945	818	833	10,093
DISCRETIONARY FUNDS													
CTA	5,055	328	392	307	277	339	347	404	312	382	331	337	8,811
CRD	11	12	14	11	10	12	12	14	11	14	12	12	145
SBD	40	43	51	40	36	44	45	53	41	50	43	44	530
BUDGET VARIANCE ALLOC													
CTA	2,993	0	0	0	5,892	0	9,072	0	0	0	0	0	17,957
CRD	2,665	0	0	0	2,709	0	5,518	0	0	0	0	0	10,892
SBD	0	0	0	0	1,932	0	1,968	0	0	0	0	0	3,900
TOTAL SVB PAYMENTS													
CTA	27,199	19,465	23,152	18,178	46,886	20,371	29,960	24,228	43,330	23,210	20,155	20,521	316,655
CRD	11,886	9,233	11,157	8,699	12,958	9,588	15,350	11,417	11,280	10,856	9,409	9,583	131,416
SBD	3,149	3,586	4,320	3,368	6,471	3,790	5,855	4,502	5,028	4,353	3,788	3,855	52,065
ADVANCE TO SERVICE BOARDS	0	2000	0	0	0	0	0	0	0	0	0	0	0
RTA,UWP,COORD,MARKETING,MISC	759	759	759	759	759	759	759	759	759	759	759	759	9,108
DEBT SERVICE	0	575	20,575	20,575	20,575	20,575	20,575	0	0	0	0	0	103,450
1984 GRANT MATCH (20,000)	1,417	0	0	0	1,394	0	1,394	0	0	1,371	0	0	5,576
1985 GRANT MATCH (13,400)	0	1,137	1,021	0	1,117	0	1,117	0	0	76	0	0	4,468
1986 GRANT MATCH (32,000)	0	0	0	0	2,667	0	2,667	0	0	2,667	0	2,667	10,668
CAPITAL GRANTS TO CTA	0	0	0	0	0	0	441	0	0	0	0	0	441
CAPITAL GRANTS TO CRD	0	0	0	0	3,675	0	3,675	0	0	3,675	0	3,675	14,700
CAPITAL GRANTS TO SBD	0	0	0	0	500	0	500	0	0	500	0	500	2,000
RTA CAPITAL PURCHASES	0	0	0	0	50	0	50	0	0	50	0	50	200
TOTAL EXPENSES	44,410	36,755	60,984	51,579	97,052	55,083	82,343	40,906	60,397	47,517	34,111	41,610	652,747
CASH BALANCE	164,088	164,818	151,008	134,350	97,425	80,802	37,830	42,194	45,454	41,320	44,826	41,537	41,537

4/22/86

SALES TAX REVENUES: BUDGET VS ACTUAL
(In Thousands of Dollars)

	1986 ACTUAL	1986 BUDGET	% VARIANCE	1986 YTD ACTUAL	1986 YTD BUDGET	% VARIANCE
January	27,169	25,775	5.41	27,169	25,775	5.41
February		26,328			52,103	
March		29,027			81,130	
April		30,578			111,708	
May		31,848			143,556	
June		32,404			175,960	
July		31,187			207,147	
August		29,827			236,974	
September		30,942			267,916	
October		30,628			298,544	
November		32,042			330,586	
December		38,214			368,800	